



J. TYLER McCaULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
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March 23, 2005

TO: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich
Supervisor Don Knabe

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **FISCAL MONITORING OF COMMUNITY AND SENIOR SERVICES'
FISCAL YEAR 2003-2004 DOMESTIC VIOLENCE PROGRAM SERVICE
PROVIDERS**

At the request of the Department of Community and Senior Services (DCSS or Department), we engaged M.R. Grant, Certified Public Accountants, to conduct fiscal monitoring of the 44 contractors that provided domestic violence services for DCSS for Fiscal Year 2003-04.

REVIEW SUMMARY

M.R. Grant has completed its monitoring reviews and has reported the findings for each service provider to the Department and to the respective service providers. During the reviews, M.R. Grant noted the following:

- Twenty-one (48%) contractors billed \$148,006 payroll related expenditures that could not be supported with appropriate documentation.
- Four (9%) contractors did not have a cost allocation plan to support \$10,312 in costs allocated to the Domestic Violence Program.
- Six (14%) contractors spent \$5,815 in excess of budgeted expenditures.
- Seven (16%) contractors billed \$4,222 for fixed assets or discretionary expenditures without obtaining prior County approval.
- Two (5%) contractors billed \$4,171 in expenditures not recorded in the contractor's accounting records.

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- Ten (23%) contractors billed \$3,353 in non-payroll related expenditures that could not be supported with appropriate documentation.
- Two (5%) contractors exceeded their administrative budget by \$2,089.

REVIEW OF REPORT

M.R. Grant made a total of 157 recommendations related to fiscal and contract compliance issues. DCSS indicated that they are working with the service providers on resolving the recommendations and collecting any disallowed costs. M.R. Grant's management letter (Attachment I) included a summary of findings by provider and two recommendations for DCSS' administration of the Domestic Violence Program. M.R. Grant recommended that DCSS provide training to providers who are not complying with the fiscal contract requirements and that DCSS obtain a response from the providers after the receipt of the final reports.

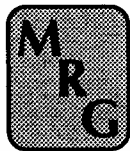
DCSS management's response to the management letter (Attachment II), indicated that DCSS implemented new procedures for issuing reports to providers. The response indicated that DCSS disagreed with M.R. Grants recommendation to train service providers who are not in compliance with contract requirements. DCSS noted that staff are available to answer any fiscal questions and provide technical assistance. However, the provider is required to provide experienced qualified staff and training should be at the expense of the provider. DCSS will issue a detailed response to the Board within 30 days on the implementation status of the contractor's recommendations which will include amounts collected or whether documentation supporting the costs was received.

All reports were discussed with DCSS and the service providers. Because of the number of service providers, copies of individual reports are not enclosed, but are available for your review.

Please call me or have your staff call Elaine Boyd at (213) 626-1114 if you wish to review any reports.

JTM:MMO:EB
Attachments

C: David E. Janssen, Chief Administrative Officer
Department of Community and Senior Services
Cynthia D. Banks, Chief Deputy
Roseann Donnelly, Program Manager
Violet Varona-Lukens, Executive Officer
Public Information Office
Audit Committee



M. R. GRANT, CPA,
an Accountancy Corporation
Certified Public Accountants

Attachment I
Page 1 of 7

February 15, 2005

Mr. J. Tyler McCauley
Auditor-Controller
500 West Temple Street, Room # 525
Los Angeles, CA 90012 - 2766

In planning and performing our review and monitoring of the 45 scheduled Department of Community and Senior Services, Domestic Violence Services' Providers, for the year ended June 30, 2004, we considered the Service Providers' internal control as previously reported in our review reports and follow-up reports dated February 20, 2004 to July 9, 2004.

During our review we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The revised memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters.

We have already discussed many of those comments and suggestions with various department personnel. We will be pleased to discuss them in further detail at your convenience, or to assist the department in implementing the recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. R. Grant', with a stylized flourish at the end.

M. R. Grant, CPA

I. FINDING

- See Summary **Exhibit II** for the breakdown of Review Findings.
- **REVISED QUESTIONED COSTS**

The total Questioned Costs was \$ 177,968.11 (**Exhibit I**)

Following are the major areas that need improvement:

- Segregation of duties.
- Cost allocation method.
- Cancellation of paid invoices.

RECOMMENDATION

We recommend that the County provide adequate training for those Service Providers who were not in compliance with their contract (s).

II. FINDING

Currently, each Provider should respond to the draft report within seven calendar days. We do not receive the comments / responses from the Providers timely, since the responses are forwarded to CSS. As a result, there is a delay in the issuance of the final reports.

RECOMMENDATION

CSS should consider requiring a response from the Providers after the receipt of final report and not after draft report.

EXHIBIT I

County of Los Angeles, Department of Community and Senior Services
Fiscal Monitoring of Domestic Violence Program Service Providers
Fiscal Year 2003 - 2004

NO.	SERVICE PROVIDER (REVIEW DATE ORDER)	REVIEW DATE	4 & 8 Months CalW. Contract	NUMBER OF		QUESTIONED COSTS							TOTAL
				FINDINGS	OBSERVATION	A	B	C	D	E	F	G	
(1)	Asian Pacific American Legal Center	02/20/04	4 & 8 Months	7		\$ 1,226.34	\$ 1,062.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,288.84
(2)	Children Institute International	02/24/04	4 & 8 Months	1				370.00					370.00
(3)	Haven House	02/25/04	None	1									-
(4)	Central Recovery & Development Project	02/26/04	None	N/A									-
(5)	Los Angeles Center for Law and Justice	03/03/04	4 & 8 Months	3			783.09						783.09
(6)	Interval House	03/05/04	4 & 8 Months	4			2,897.00						2,897.00
(7)	Prototypes	03/08/04	4 & 8 Months	5	1			76.00	110.94				186.94
(8)	Jewish Family Service / Family Violence Project	03/09/04	4 & 8 Months	1			10,122.00						10,122.00
(9)	Women Shelter of Long Beach	03/10/04	4 & 8 Months	3	1		1,643.63						1,643.63
(10)	San Pedro Community Legal Services	03/11/04	4 & 8 Months	11			10,422.70	2,143.80		385.00			12,951.50
(11)	Human Services Association	03/15/04	4 & 8 Months	4			13,467.00						13,467.00
(12)	Foothill Family Service	03/16/04	4 & 8 Months	1									-
(13)	Neighborhood Legal Services of Los Angeles County - NLS	03/17/04	4 & 8 Months	2			19,449.00						19,449.00
(14)	Center for Pacific - Asian Family, Inc.	03/22/04	8 Months	6	1			37.52					37.52
(15)	National Council on Alcohol and Drug Dependency - Long Beach	03/23/04	4 & 8 Months	1				41.15					41.15
(16)	Santa Anita Family Service	03/24/04	4 & 8 Months	5				45.82		3,500.00	1,548.00		5,093.82
(17)	Project : Peacemakers, Inc.	03/30/04	4 & 8 Months	6			1,744.00	43.00		19.00			1,806.00
(18)	Ocean Park Community Center	03/31/04	4 & 8 Months	0									-
(19)	East Los Angeles Women's Center	04/02/04	4 & 8 Months	5			1,672.00	321.00					1,993.00
(20)	Chicana Service Action Center, Inc.	04/05/04	4 & 8 Months	2						155.00			155.00
(21)	YWCA of San Gabriel Valley / Women in Need Growing Strong	04/06/04	4 & 8 Months	2			4,577.00				1,819.00		6,396.00
(22)	Su Casa Family Crisis and Support Center	04/13/04	4 & 8 Months	5			8,000.00				1,080.00		9,080.00
(23)	Rainbow Services, Ltd.	04/15/04	4 & 8 Months	6								1,112.00	1,112.00
(24)	Helpline Youth Counseling, Inc.	04/16/04	4 & 8 Months	1						127.00			127.00
(25)	Southern California Alcohol & Drug Programs, Inc./ Angel Step Inn	04/21/04	4 & 8 Months	5			1,296.00				1,056.00		2,352.00
(26)	Domestic Abuse Center	04/22/04	8 Months	9									-
(27)	House of Ruth, Inc.	04/26/04	4 & 8 Months	5			16,094.00					4,252.00	20,346.00
(28)	San Fernando Valley Community Mental Health Center, Inc.	04/29/04	4 & 8 Months	2	1			197.00					197.00
(29)	Haven Hills, Inc.	04/30/04	4 & 8 Months	4	1							1,595.00	1,595.00
(30)	Bienvenidos Children's Center, Inc.	05/05/04	4 & 8 Months	4			1,467.00	78.00		10.00			1,555.00
(31)	Peace & Joy Care Center	05/06/04	4 & 8 Months	2		2,944.37							2,944.37
(32)	Women's & Children's Crisis Shelter, Inc.	05/07/04	4 & 8 Months	5							152.00		152.00

EXHIBIT I

County of Los Angeles, Department of Community and Senior Services
Fiscal Monitoring of Domestic Violence Program Service Providers
Fiscal Year 2003 - 2004

NO.	SERVICE PROVIDER (REVIEW DATE ORDER)	REVIEW	4 & 8 Months	NUMBER OF		QUESTIONED COSTS							TOTAL
		DATE	CalW. Contract	FINDINGS	OBSERVATION	A	B	C	D	E	F	G	
(33)	Community Legal Services	05/10/04	4 & 8 Months	2			4,216.00						4,216.00
(34)	Jenesse Center, Inc.	05/14/04	4 & 8 Months	6			38,541.00						38,541.00
(35)	Antelope Valley Domestic Violence Council	05/17/04	4 & 8 Months	1			1,493.00						1,493.00
(36)	1736 Family Crisis Center	05/19/04	4 & 8 Months	4			705.00				160.00		865.00
(37)	Akila Concepts, Inc. / Charlotte House	05/20/04	4 & 8 Months	10			4,485.00						4,485.00
(38)	Community Counseling Service	05/24/04	4 & 8 Months	2					1,978.48	25.70			2,004.18
(39)	Harriet Buhai Center for Family Law	05/25/04	4 & 8 Months	2									-
(40)	Legal Aid Foundation of Los Angeles	05/26/04	4 & 8 Months	2									-
(41)	Cambodian Association of America	05/27/04	8 Months	0									-
(42)	Domestic Violence Center of Santa Clarita Valley	05/28/04	None	0									-
(43)	The Coalition of Mental Health Professionals, Inc.	06/14/04	8 Months	3									-
(44)	Institute for Multicultural Educational Services	06/25/04	4 & 8 Months	2									-
(45)	YWCA of Glendale Domestic Violence Project	07/09/04	4 & 8 Months	5			3,869.07					3,353.00	7,222.07
TOTAL				157	5	\$ 4,170.71	\$ 148,005.99	\$ 3,353.29	\$ 2,089.42	\$ 4,221.70	\$ 5,815.00	\$ 10,312.00	\$ 177,968.11
		%				2.34%	83.16%	1.88%	1.17%	2.37%	3.27%	5.79%	100.00%

LEGEND

- N/A Not Available for Audit.
A Total Funds Requisitioned did not agree with General Ledger in Contractor's Accounting Records
B Timecards or Time reports did not agree with supporting documentation.
C Expenditures could not be supported with appropriate documentation.
D The administrative cost exceeds 10% of the total funded amount.
E Purchases of fixed assets or discretionary expenditures without prior written approval from the County.
F Costs billed exceeded budget limit billable or overbilled.
G The allocation percentage was not supported by any cost allocation plan.

EXHIBIT II

County of Los Angeles, Department of Community and Senior Services
Fiscal Monitoring of Domestic Violence Program Service Providers
Fiscal Year 2003 - 2004

NO.	SERVICE PROVIDER	REVIEW	NUMBER OF		BREAKDOWN OF FINDINGS (SEE LEGEND)																						
		DATE	FINDINGS	OBSERVATION	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
(1)	Asian Pacific American Legal Center	02/20/04	7			1	1	1	1	1	1																
(2)	Children Institute International	02/24/04	1						1																		
(3)	Haven House	02/25/04	1										1														
(4)	Central Recovery & Development Project	02/26/04	N/A																								
(5)	Los Angeles Center for Law and Justice	03/03/04	3				1			1				1													
(6)	Interval House	03/05/04	4				1				1		2														
(7)	Prototypes	03/08/04	5	1			1					1			1		1		1								
(8)	Jewish Family Service / Family Violence Project	03/09/04	1					1																			
(9)	Women Shelter of Long Beach	03/10/04	3	1					1			2															
(10)	San Pedro Community Legal Services	03/11/04	11			1	1	1		1		1	1				1	1	1	1	1						
(11)	Human Services Association	03/15/04	4					1				2										1					
(12)	Foothill Family Service	03/16/04	1			1																					
(13)	Neighborhood Legal Services of Los Angeles County - NLS	03/17/04	2			1			1																		
(14)	Center for Pacific - Asian Family, Inc.	03/22/04	6	1				1		1		3											1				
(15)	National Council on Alcohol and Drug Dependency - Long Beach	03/23/04	1																1								
(16)	Santa Anita Family Service	03/24/04	5			1					1		1						1					1			
(17)	Project : Peacemakers, Inc.	03/30/04	6			1			2		1		1						1								
(18)	Ocean Park Community Center	03/31/04	0																								
(19)	East Los Angeles Women's Center	04/02/04	5			1				1			1						1						1		
(20)	Chicana Service Action Center, Inc.	04/05/04	2											1					1								
(21)	YWCA of San Gabriel Valley / Women in Need Growing Strong	04/06/04	2							1														1			
(22)	Su Casa Family Crisis and Support Center	04/13/04	5					1	1			2												1			
(23)	Rainbow Services, Ltd.	04/15/04	6					1		1		2	1										1				
(24)	Helpline Youth Counseling, Inc.	04/16/04	1																1								
(25)	Southern California Alcohol & Drug Programs, Inc./ Angel Step Inn	04/21/04	5					1				1	1											2			
(26)	Domestic Abuse Center	04/22/04	9			1				1		2	1												1	1	1
(27)	House of Ruth, Inc.	04/26/04	5						1	1		2	1														
(28)	San Fernando Valley Community Mental Health Center, Inc.	04/29/04	2	1		1																		1			
(29)	Haven Hills, Inc.	04/30/04	4	1		1				1														1			1
(30)	Bienvenidos Children's Center, Inc.	05/05/04	4			1				1									1						1		
(31)	Peace & Joy Care Center	05/06/04	2								1															1	
(32)	Women's & Children's Crisis Shelter, Inc.	05/07/04	5			1							1	1										1			
(33)	Community Legal Services	05/10/04	2					1												1							
(34)	Jenesse Center, Inc.	05/14/04	6					1		1	1			1				1			1						

EXHIBIT II

County of Los Angeles, Department of Community and Senior Services
Fiscal Monitoring of Domestic Violence Program Service Providers
Fiscal Year 2003 - 2004

NO.	SERVICE PROVIDER	REVIEW	NUMBER OF		BREAKDOWN OF FINDINGS (SEE LEGEND)																						
		DATE	FINDINGS	OBSERVATION	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
(35)	Antelope Valley Domestic Violence Council	05/17/04	1					1																			
(36)	1736 Family Crisis Center	05/19/04	4				1					1			1								1				
(37)	Akila Concepts, Inc. / Charlotte House	05/20/04	10		1		1	1	1	1		2	1												1	1	
(38)	Community Counseling Service	05/24/04	2													1			1								
(39)	Harriet Buhai Center for Family Law	05/25/04	2				1																1				
(40)	Legal Aid Foundation of Los Angeles	05/26/04	2				1												1								
(41)	Cambodian Association of America	05/27/04	0																								
(42)	Domestic Violence Center of Santa Clarita Valley	05/28/04	0																								
(43)	The Coalition of Mental Health Professionals, Inc.	06/14/04	3				1					1														1	
(44)	Institute for Multicultural Educational Services	06/25/04	2		1		1																				
(45)	YWCA of Glendale Domestic Violence Project	07/09/04	5		1		1	1	1														1				
TOTAL			157	5	15	5	15	11	18	7	1	29	10	1	2	2	2	1	8	5	2	5	7	5	3	3	
%					9.62%	3.21%	9.62%	7.05%	11.54%	4.49%	0.64%	18.59%	6.41%	0.64%	1.28%	1.28%	1.28%	0.64%	5.13%	3.21%	1.28%	3.21%	4.49%	3.21%	1.92%	1.92%	

EXHIBIT II

County of Los Angeles, Department of Community and Senior Services
Fiscal Monitoring of Domestic Violence Program Service Providers
Fiscal Year 2003 - 2004

LEGEND

- N/A** Not Available for Audit.
- A** Bank Reconciliations are not signed by both preparer and reviewer.
- B** Policies and procedures do not state that checks for expenditures should not be payable to "Cash"
- C** Supporting documents are not marked "Cancelled" , "Paid" or cut out.
- D** Timesheets do not indicate total hours worked each day by program and total hours charged.
- E** The allocation percentage was not supported by any cost allocation plan or not established.
- F** Total funds requisitioned do not agree with General Ledger.
- G** Payroll cost allocation plan is incorrect from the provided schedule.
- H** Lack of segregation of duties.
- I** No Supporting documents of employment eligibility status.
- J** No check remittance log.
- K** Mileage reimbursement does not show the purpose of the trip.
- L** Administrative cost exceeds 10% of the total funded amount.
- M** Bank reconciliations are not prepared within 30 days.
- N** Timecards are not signed by the employee and supervisor.
- O** Purchases of fixed assets or discretionary expenditures without prior written approval from the County.
- P** Inadequate liability insurance coverage.
- Q** Checks are not stored in a secure cabinet.
- R** Cash receipts totaling over \$ 500.00 are not deposited on a daily basis.
- S** Costs billed exceeded budget limit billable or overbilled.
- T** No supporting documentation.
- U** Contract revenues and expenses are not maintained separately in the accounting system.
- V** No financial procedures manual.



CYNTHIA D. BANKS
Chief Deputy Director

**COMMUNITY AND SENIOR SERVICES
OF LOS ANGELES COUNTY**

3175 WEST SIXTH STREET • LOS ANGELES, CA 90020-1708 • (213) 738-2600 (213) 385-3893 FAX

"To Enrich Lives Through Effective And Caring Service"

BOARD OF SUPERVISORS

GLORIA MOLINA
YVONNE B. BURKE
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

March 10, 2005

Revised

To: J. Tyler McCauley
Auditor-Controller

From: Cynthia D. Banks 
Chief Deputy Director

Subject: **DOMESTIC VIOLENCE PROGRAM SERVICE PROVIDERS
AUDIT REVIEW**

The following is Community and Senior Services' (CSS) response to M.R. Grant's, Certified Public Accountants, audit review and findings for FY 2003-04 Domestic Violence Program contract service providers.

Finding #1

Total questionable costs amounted to \$177,968.11. The following are major areas that need improvement:

- Segregation of duties;
- Cost Allocation method/plans;
- Cancellation of paid invoices.

Recommendation #1

We recommend that the County provide adequate training for those service providers that were not in compliance with their contract requirements.

CSS Response

CSS disagrees with Recommendation #1. The County should not be responsible for providing fiscal training to service providers. Under contract, it is the sole responsibility of the provider to have experienced, qualified fiscal administrative staff to ensure contract compliance. Any additional training should be at the expense of the service providers. However, staff is available to answer any fiscal questions and provide technical assistance.

In addition, as of September 30, 2004, CSS has received and reviewed all the service providers' Corrective Action Plans (CAP) that addressed questionable costs in the amount of \$176,413.11. One agency, Bienvenidos Children's Center, Inc., accepted the fiscal findings and reimbursed CSS for the total questionable costs in the amount of \$1,555. M.R. Grant began follow-up reviews on March 1, 2005, to verify the validity of the remaining agencies' CAP with questionable costs. If recommendations have not

Audit Review
Page 2

\$1,555. M.R. Grant began follow-up reviews on March 1, 2005 to verify the validity of the remaining agencies' CAP with questionable costs. If recommendations have not been implemented, all questionable costs will be disallowed and reimbursement to CSS submitted within 14 business days of the follow-up review. CSS will ensure that those service providers who continue to be noncompliant with their contract requirements be placed on suspension until all fiscal issues are resolved.

Finding #2

Currently, each provider is required to respond to the draft audit report within seven calendar days. M.R. Grant does not receive the comments / responses from the providers in a timely manner, since the responses are sent to CSS. As a result, there is a delay in the issuance of the final reports.

Recommendation #2

CSS should consider requiring a response from the providers after receipt of the final report and not after the draft copy of the audit report.

CSS Response

We concur with the recommendation. CSS has implemented the following new procedures:

- All relevant reports, files, and fiscal documentation must be complete and ready for review on the day of the fiscal review site visit. Revised or corrected documents cannot be submitted once the audit review is concluded. There will be no draft audit report issued, only a final report.
- The authorized agency representative must be available at the audit review exit conference to sign-off on the final report and assume liability on behalf of the agency for all questionable and disallowed costs.
- All CAPs and reimbursement for disallowed costs must be submitted to CSS within 14 business days of the final audit report or the agency's contract may result in suspension and/or termination.

The implementation of the above proposed actions will strengthen and enhance the Department's contract operations for the three domestic violence programs. Should you have questions, your staff may contact Roseann Donnelly, Acting Program Manager, at (213) 738-4238.

CDB/rd/hms

c: Department of Public Social Services